



STATE OF WASHINGTON

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March 26, 2006

**TO:** IAC Members & Designees

**FROM:** Laura E. Johnson, Director *LEJ*

**PREPARED BY:** Neil Aaland, Assistant Director

**SUBJECT:** Final Adoption of WWRP Manuals  
Notebook Item #3a, including  
Manual #10f, WWRP: Farmland Preservation Program – Policies  
and Project Selection

**Summary**

At the February 2006 meeting, IAC's Board adopted the substantive policies guiding the new categories for grants in the Washington Wildlife and Recreation Program (WWRP). These policy statements included evaluation criteria and points, as well as other grant program fundamentals such as eligibility and grant size limits. By IAC practice, grant policies are assembled in a Manual, together with other administrative guidance and forms. Manuals are published and available for all applicants.

Under Agenda Items #3 a-b-c of the April meeting, staff will request IAC approval for all three WWRP program Manuals. This memo presents an overview of the three Manuals, and recommends adoption of a Resolution to approve the final Manual for the *Farmland Preservation* program. Separate Resolutions are proposed, under Items 3b and 3c, for the remaining portions of the WWRP Manuals.

**Background**

The 2005 legislature created four new funding categories for WWRP and made a number of other changes to the existing program. These additions have resulted in significant changes to the previous WWRP policy manual. As a result, the policies adopted at the February IAC meeting were incorporated into three separate Manuals.



The new manual organization is outlined below.

Manual 10a	<b><i>WWRP: Outdoor Recreation Account – Policies and Project Selection</i></b>	<i>Agenda Item 3b</i>
Manual 10b	<b><i>WWRP: Habitat Conservation Account and Riparian Protection Account – Policies and Project Selection</i></b>	<i>Agenda Item 3c</i>
Manual 10f	<b><i>WWRP: Farmland Preservation Program – Policies and Project Selection</i></b>	<i>Agenda Item 3a</i>

The manual changes adopted by the Board in February focused on adopting policies for the new categories. In addition there were several other changes from the 2005 legislation that impact the existing program categories, such as Trails and Water Access. All these changes are now captured in Manual 10a, WWRP-Outdoor Recreation Account and Manual 10b, WWRP Habitat Conservation and Riparian Protection Accounts. Agenda Items 3b and 3c, which follow after this tab, will seek IAC approval of those final Manuals.

Manual 10f is attached to this memo. This Manual was created specifically to cover policies for the *Farmland Preservation* Program. It contains some of the standard policies for WWRP and some policies that are unique to this category. The attached Manual 10f reflects the changes adopted by the Board in February and includes some minor editorial corrections but no substantive changes.

Staff is now bringing forward for final adoption the *Farmland Preservation* program Manual, under Agenda Item 3a. This routine final adoption would ordinarily have been presented within the Consent Calendar. However, to ensure the Board sees the full WWRP Manuals package, we have included Farmland as a separate Resolution under this overall agenda item.

### **Recommendation**

Staff recommends final adoption of Manual 10f, WWRP: Farmland Preservation Program – Policies and Project Selection, as amended. Resolution 2006-xx is provided for consideration.

### **Attachment**

Manual 10f, WWRP: Farmland Preservation Program – Policies and Project Selection

**RESOLUTION #2006-13a**  
**Final Manual Adoption**  
**Manual 10f, WWRP: Farmland Preservation Program – Policies and Project Selection**

**WHEREAS**, Chapter 303, Laws of 2005 established revisions to the Washington Wildlife and Recreation Program (WWRP); and

**WHEREAS**, the Interagency Committee for Outdoor Recreation (IAC) has authority to adopt policies and rules for WWRP; and

**WHEREAS**, the IAC desires to incorporate additional statutory changes to the WWRP policy manuals; and

**WHEREAS**, the proposed policies have been made available for review and comment by individuals and organizations that have expressed an interest in WWRP; and

**WHEREAS**, final adoption of Manual 10f is essential to implementing the statutory changes to the WWRP as approved by the 2005 legislature;

**NOW, THEREFORE BE IT RESOLVED**, that the IAC adopts Manual 10f, WWRP: Farmland Preservation Program – Policies and Project Selection; and

**BE IT FURTHER RESOLVED**, that IAC staff is directed to take the necessary steps for immediate implementation and distribution of this final manual to interested parties.

*Resolution moved by:* \_\_\_\_\_

*Resolution seconded by:* \_\_\_\_\_

*Adopted/Defeated/Deferred (underline one)*

*Date: April 18, 2006*



# FARMLAND PRESERVATION PROGRAM

*POLICIES AND  
PROJECT SELECTION*

**10f**

**MARCH 2006**

## **Interagency Committee for Outdoor Recreation**

- |                     |   |
|---------------------|---|
| <b>Our Mission</b>  | Provide leadership and funding to help our partners protect and enhance Washington's natural and recreational resources for current and future generations.             |
| <b>Our Services</b> | Statewide strategic investments through policy development, grant funding, technical assistance, coordination, and advocacy.  |
| <b>Our Values</b>   | Efficient, fair, and open programs conducted with integrity. The results foster healthy lifestyles and communities, stewardship, and economic prosperity in Washington. |

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## SECTION 1: GENERAL INFORMATION

**Introduction** This manual contains basic information, policies, and project selection criteria for the Farmland Preservation Program (FPP), a subprogram within the larger Washington Wildlife and Recreation Program (WWRP). The WWRP was created in 1990 to acquire and develop significant opportunities for outdoor recreation and wildlife conservation. In 2005, the state legislature expanded WWRP to include preservation of significant farmland through the purchase of development rights. A secondary goal of the FPP is to fund restoration of ecological functions that will enhance the viability of the preserved farmland to provide agricultural production, while conforming to legal requirements for habitat protection.

**About IAC** The Interagency Committee for Outdoor Recreation (IAC) administers the program. IAC refers both to a decision-making board and to a state agency. Agency staff provides administrative support to the Interagency Committee board, which ultimately approves funding for Farmland Preservation Program projects.

**Contact Sources** IAC encourages anyone interested in its grants programs to contact the office at:

Natural Resources Building	Voice	(360) 902-3000
1111 Washington Street	FAX	(360) 902-3026
P.O. Box 40917	TDD	(360) 902-1996
Olympia, WA 98504-0917	E-mail:	info@iac.wa.gov
Internet Web Site		<a href="http://www.iac.wa.gov/">http://www.iac.wa.gov/</a>

IAC grant managers are available to answer questions about this manual. Please feel free to call.

**Manual Authority & Related Publications** Authority for policies in this publication is in Revised Code of Washington (RCW) 79A.25, and Washington Administrative Code Title 286. IAC adopted these policies in a public meeting. Additional information is provided in these related manuals:

- ▶ Manual 3 *Acquiring Land: Policies*
- ▶ Manual 4 *Development Projects: Policies*
- ▶ Manual 5 *IAC Application Forms and Procedures*
- ▶ Manual 6 *Guidelines for Easements*
- ▶ Manual 7 *Funded Projects: Policies & the Project Agreement*
- ▶ Manual 8 *Reimbursements: IAC/SRFB Grant Programs*

Information on other grant programs as well as the publications referenced above can be downloaded from IAC's Web site or you may contact IAC to obtain copies of these free publications. Each



can be made available in an alternative format.

**Standing  
Advisory  
Committee**

IAC uses a standing advisory committee made up of farmers and people with expertise in ecology, real estate, land planning / management and local officials. Advisory committee members have knowledge of and general interest in preservation of farmland through professional or personal experience. This committee's role is to recommend policy and procedures for IAC to use in administering farmland preservation grants, and to evaluate and score grant proposals. IAC's Director appoints committee members.

**Grant Cycle  
Timeline**

IAC offers FPP grants every two years, in conjunction with the state budget process. The FPP grant cycle spans 14 months. The timeline shown below gives a general overview.

**Workshops.** Agency staff conducts workshops annually to provide information about its funding programs. These sessions are typically held in the winter or early spring of each year around the state. Scheduling is usually completed in early January. Call or visit our Web site for information about dates and locations.

**Application Deadline.** Applications are due in early May of even-numbered years. Applications received after the deadline will be returned unless IAC's Director has approved a late submission. Each application is assigned to a grant manager.

**Project Review.** The assigned IAC grant manager will review the application and provide written feedback to the applicant acknowledging receipt and seeking additional or clarifying information if needed. Within a few weeks applicants will be invited to a project review meeting. At this meeting, standing advisory committee members and IAC grant managers will review projects to ensure they are eligible, identify any issues of concern and provide feedback on the strengths and weaknesses of each proposal. Applicants then have an opportunity to consult with staff to determine what, if any, changes they want to make to improve the project. All changes must be completed a few weeks before project evaluation.

**Project Evaluation.** The advisory committee evaluates each proposal against a set of questions approved by the IAC (see pages 14-18). Applicants are expected to provide an oral response to each of the questions, illustrated with the aid of maps, graphics, and photos in a PowerPoint® presentation format. Each evaluator scores all projects. Scores are then tabulated, resulting in a ranked list of projects. This list provides the foundation for funding recommendations to the IAC.

**Approval By the IAC.** In an open public meeting, the IAC considers the recommendations of the evaluation team, written public comments submitted prior to the meeting, and public testimony at the meeting. At the September meeting of even-numbered years, the IAC approves the list of ranked FPP projects and lists of projects in the other WWRP funding categories for submission to the Governor.

**Gubernatorial and Legislative Approval.** Ranked lists of WWRP projects are submitted to the Governor on or before November 1 of even numbered years for consideration as part of the budget for the following biennium. Typically, the Governor's budget includes funding for many, but not all, of the projects. The Legislature then considers the Governor's funding request and the proposed project list in development of the capital budget. Both the Governor and the Legislature can remove projects from the list, but neither can re-rank the list or add new projects.

After the Legislature and Governor approve the capital budget, the IAC approves the final grant awards, again in an open public meeting. After the IAC has approved funding and the applicant has met post-approval requirements, staff will write a contract between the state and the applicant. Once the contract is signed, the "applicant" is now referred to as the "sponsor."

**Project Implementation Timeline.** Sponsors must complete funded projects promptly. To help ensure reasonable but timely project completion, accountability, and the proper use of funds, applicants will:

- Only submit projects that will be completed within four years of the grant award.
- Provide assurances that the project can be completed within a reasonable time, which does not exceed the IAC approved implementation period.
- Provide written certification of matching fund availability at least 30 days before the IAC funding meeting. If another IAC administered grant is being used as match, IAC may extend the deadline to 180 days after approval of the farmland preservation grant.
- Submit the post approval materials within 60 days of funding approval.
- Develop milestones and a timeline for project implementation that does not exceed four years.
- Begin project implementation quickly and aggressively so as to show measurable progress towards meeting project milestones. IAC may terminate projects that do not meet critical milestones established in the Agreement.

By June 1<sup>st</sup> of each year, IAC will review the status of all WWRP projects that remain incomplete. The sponsors of these projects will be asked to provide assurances that their projects will be completed and funds expended within the agreement period. Assurances may include:

- Purchase and sale agreements.
- Proof of permitting approvals (for enhancement/renovation).
- Construction contracts.
- Other significant milestones listed in the grant agreement.

If satisfactory assurances are not provided, the agreement period will lapse or the Director will terminate the project. Additional information about the progress policy is found in Manual 7, *Funded Projects: Policies & the Project Agreement*.

#### ***Waiver of Retroactivity***

In most cases, grant funds may be used only to reimburse expenses incurred during the period set out in the Project Agreement. This is known as the IAC prohibition on retroactivity.

However, based on written justification by an applicant regarding the critical need to purchase property before IAC approves funding, the Director may issue a "Waiver of Retroactivity". Such a waiver allows the acquisition costs incurred by the applicant to remain eligible for reimbursement through the next *two* consecutive grant cycles in the program in which the applicant seeks funds.

A waiver is normally sought when an applicant decides that an imminent condition exists that jeopardizes the acquisition and thus decides to pursue the acquisition before funding approval. All such expenditures are made at the applicant's risk. That is, if a grant is not awarded, IAC will not reimburse expenses.

Applicants should apply for a waiver of retroactivity prior to acquiring the property. Refer to IAC Manual 3, *Acquiring Land: Policies* for procedural guidelines and required forms.

## SECTION 2: POLICIES

### 1. *What the Money Is For*

The 2005 Legislature created the Farmland Preservation Program by expanding the existing Washington Wildlife and Recreation Program (WWRP) (see Appendix A, for legislation creating the farmland program). The WWRP was created in 1990 through the efforts of a broad coalition of individuals, agencies, non-governmental organizations, and corporations to begin a state-funded program to develop outdoor recreation opportunities and to conserve habitat. The 2006-07 grant cycle marks the first opportunity to fund farmland preservation projects.

The *primary* focus of the Farmland Preservation Program (FPP) is to acquire development rights on farmlands in Washington and ensure the land remains available for agricultural practices. When creating this grant, the legislature directed the word “farmland” be interpreted as “farm and agricultural land” defined in RCW 84.34.0202(2), a copy of which is provided as Appendix B.

To meet the FPP primary program goal, those awarded grants will purchase development rights on farmland, typically through purchase of an agricultural conservation easement, although purchase of a lease or outright purchase of the land is allowable. If a sponsor purchases land, the sponsor is directed to record an agricultural conservation easement on the property to acquire development rights and then sell the land for agricultural uses. In order to meet the primary program goal of ensuring land remains available for agricultural practices, there is a preference for those projects that provide this assurance through agricultural conservation easements in perpetuity.

A secondary program goal is to enhance or restore ecological functions on farmland preserved with FPP funds. A project does not have to include an enhancement or restoration element to be eligible. Restoration-only projects are not eligible. If included, restoration costs may not exceed 50 percent of the project’s total acquisition cost.

### 2. *Eligible Applicants & Match Requirements*

Only cities and counties may apply and applicants must provide at least 50 percent of the total project cost. Matching shares of more than 50 percent are encouraged. Applications that include a higher match than the minimum required will receive additional points in the evaluation process.

**3. What Counts as Match?**

Match does not mean cash only. It also may mean donations, force account or in-kind contributions, and other grants.

- Donations usually come from a third party and may include cash, labor, materials, property rights, and professional services such as engineering costs related to eligible restoration activities.
- Force account or in-kind contributions usually come directly from applicant resources and may include cash, labor, and use of sponsor-owned equipment or materials. Those expenditures made by the sponsor are also referred to as out-of-pocket expenses.
- Other grants: a second grant, if it is applied to elements that are eligible for FPP funding.
- Third party match. A sponsor may not use the value of development rights granted to a party other than the sponsor as a donation. Cash spent on renovation by a third party is not eligible as an out-of-pocket expense, however, the sponsor could use the value of the labor, equipment, and materials applied toward the activity as a donation. The value would be determined based on IAC's existing donation policy, not necessarily on the amount the activity originally cost the third party. If the sponsor pays the third party for the value of the renovation, it becomes an expenditure and is eligible as in-kind match.
- Existing sponsor assets, such as real property and/or developments, may not be used as the match. Nor may an application use costs that are double counted (that is cost incurred by the sponsor in a project that has been reimbursed by IAC).
- IAC will not reimburse more than the sponsor's out-of-pocket costs.

**4. Eligible Project Types**

There are two types of eligible projects:

- Acquisition
- Combination (acquisition plus restoration or enhancement). Combination projects include both land acquisition and restoration or enhancement. No grant reimbursement for restoration elements will occur prior to IAC receiving all required documents related to the acquisition.

- 5. Funding Formula** State law specifies the funding formula for WWRP. The first \$40 million in funding is split between the Outdoor Recreation Account and the Habitat Conservation Account. Then 40 percent of all funds between \$40 million and \$50 million will go to the FPP and 10 percent of any funds in excess of \$50 million will go to the FPP. See Appendix C, distribution scenarios B and C, for a more detailed explanation of the funding formula.
- 6. Grant Fund Limits** To more widely distribute funds available in the FPP, grant limits for projects are as follows:
- ▶ There is no minimum FPP share.
  - ▶ The maximum FPP share is \$750,000 per project.
  - ▶ Under no circumstance may the restoration total exceed more than half of the total acquisition costs (includes match toward acquisition).
- Cost increases are not allowed. This means the grant cannot be increased once the project has been evaluated. Any project cost overruns become the responsibility of the sponsor.
- 7. Phased Projects** Applicants with a project that exceeds the maximum grant limit, or one that may take several years to complete, are encouraged to discuss phasing or staging with IAC staff. Staged projects are subject to the following:
- ▶ Approval of any single stage is limited to that stage; no approval or endorsement is given or implied toward future stages.
  - ▶ Each stage must stand on its merits as a viable project.
  - ▶ Each stage must be submitted as a separate application.
  - ▶ Progress and sponsor performance on other grants may be considered by IAC when making decisions on current project proposals.
- 8. Eligible Acquisition Projects** To be eligible, a project must include acquisition of interest in real property. The following projects are eligible:
- A. Acquisition of development rights via an agricultural conservation easement.** In keeping with the goal to preserve farmland in order to maintain the opportunity for agricultural activity, proposals that include acquisition of development rights in perpetuity will receive preference points in the evaluation process. Less than perpetual acquisitions ("term easements") must be for at least 25 years.

- B. Acquisition of a lease.** Leases are a contract between a landowner (Lessor) and a sponsor (Lessee), which has a limited duration. Leases provide a mechanism whereby a city or county, as lessee, could acquire a possessory interest of a parcel's development rights. To be eligible, leases must be for at least 25 years and be recorded at the auditor's office in the county where the land is situated. Leases may not be revocable at will.
- C. Acquisition of land.** The program allows for acquisition of fee simple title (meaning not just acquiring development rights, but acquiring the underlying land as well). If this occurs, the sponsor must record a perpetual agricultural conservation easement and an assignment of rights on the property before seeking reimbursement from IAC, and then seek to sell the land.

There are two possible scenarios provided below that will occur at this point, and in each case the recorded conservation easement and assignment of rights must remain intact.

1) Sponsors will seek reimbursement from IAC based on the appraised value of the easement, not including the underlying land. In this scenario, the sponsor may sell the underlying land at a future date without IAC involvement. The sponsor has discretion on what to do with proceeds from the sale, because the reimbursement was not based on the value of the underlying land. While sponsors are encouraged to use these proceeds towards an endowment to manage the easement or to purchase other significant farmlands, they are not obligated to do so.

OR

2) Sponsors will seek reimbursement from IAC based on the appraised value of fee simple title. Because grant funds are used toward acquisition of the underlying land, sponsors must seek IAC approval prior to selling the land. Sponsors must follow IAC procedures for valuing converted land when they sell the property (see Manual 3, *Acquiring Land: Policies*). This means the sales price must be based on the appraised market value of the land at time of sale.

Additionally, and at the discretion of IAC, proceeds from the sale will either be returned to the Farmland Preservation Program, or the sponsor will be allowed to acquire property

interests on land that meets FPP eligibility criteria. If land is acquired in fee, the sponsor must record a perpetual conservation easement and seek to resell this land as well. Proceeds from each additional purchase and sale of underlying rights will be guided by IAC policy until the value of the original difference between the easement and fee title has been reinvested in the program.

If the underlying land has not been sold within four years from the time of final IAC reimbursement, a document providing permanent protection of the underlying land must be recorded in order to protect the public investment.

#### **9. Acquisition Policies**

Applicants are strongly encouraged to review IAC Manual 3, *Acquiring Land: Policies* before submitting a grant application. That manual provides details on acquisition procedures and requirements. Eligibility for reimbursement is based on sponsors having followed certain procedures, of which some important highlights are listed below.

**Appraisals:** Must be performed by licensed appraisers, must value the exact property rights being acquired, and must be reviewed by a second, licensed appraiser. Sponsors should direct their appraisers to follow the requirements in Manual 3 as part of their contract with the appraiser and review appraiser. If the match for the project is coming from a federal source, then appraisers must follow the current Uniform Appraisal Standards for Federal Land Acquisitions.

**Procedures:** Sponsors must follow the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970. See IAC Manual 3, *Acquiring Land: Policies* for details.

**Conversions:** IAC prohibits the conversion of funded projects to ineligible uses. This policy seeks to protect the investment of public funds. Therefore, property rights acquired with FPP assistance will be protected via a recorded instrument that includes language to specify how property value will be recovered if the property is converted from farmland during the term of the easement or lease. For example, if a 30-year lease of all development rights has been acquired, and the landowner builds houses on the land during the lease, this would be a conversion and the sponsor would be responsible for securing eligible replacement farmland for the period remaining in the lease. Grant funds cannot be used to remedy a conversion

**Documents:** Because appraisals must reflect the property rights as conveyed, a sponsor should provide a copy of the proposed



easement or lease as part of the appraisal instructions.

Easements and leases must be recorded through the assessor's office in the county where the land lies. The easement or lease will be between the landowner and the sponsor. A subsequent document, called an Assignment of Rights (see Manual 3, *Acquiring Land: Policies Appendix E*) will then be recorded in connection with the easement or lease. The Assignment of Rights is necessary to protect the public's investment. The Assignment of Rights is between the sponsor and the IAC and provides a mechanism whereby the State of Washington can exercise the terms of the easement or lease if the sponsor is not meeting its obligation to enforce those terms.

**Prohibition on lands already in public ownership:** Land already in public ownership is typically not eligible for grant assistance from the FPP program. Limited exceptions may apply, so applicants should talk with their IAC grant manager for clarification.

**10. *Ineligible Acquisition Projects***

The following projects are ineligible:

- ▶ Acquisition of rights for a term of less than 25 years.
- ▶ Land already owned by a government agency. Limited exceptions may apply, so check with your grants manager if you have questions.
- ▶ Transfer of development rights. Development rights acquired under this program may not be transferred to other property.
- ▶ Farms producing cultivated marine or freshwater aquatic products are not eligible.

**11. *Eligible Enhancement and Restoration Activities***

- A. Enhancement or restoration activities within a project must further the ecological functions of the farmlands.** Examples of eligible activities include fencing livestock out of riparian areas, replanting native vegetation on erosion-prone land or along streams, restoring historic water runoff patterns, improving irrigation efficiency, and removing fish passage barriers. Drilled wells are allowed when the purpose is to enhance ecological functions or agricultural values, such as to reduce diversions from streams or to facilitate fencing livestock out of streams. These wells may not be used for additional domestic hook-up or urban use.
- B. Enhancement or restoration activities must be less than 50 percent of the acquisition cost of the project including any in-kind contribution by any party.** For example, if the total acquisition cost is \$200,000, restoration costs may not

exceed \$100,000, for a total project cost of \$300,000. Total project cost includes grant amount plus sponsor's matching share.

- C. **Restoration activities should be based on accepted methods of achieving beneficial enhancement or restoration results.** Proposed activities based on experimental or unproven methods will receive fewer points in the evaluation process.

**12. Ineligible  
Enhancement  
and Restoration  
Activities**

**The following items are not eligible:**

- ▶ "Consumable" supplies such as fuel, fertilizers, pesticides, or herbicides, except as a one-time application if a necessary part of an otherwise eligible restoration activity.
- ▶ Elements that cannot be defined as fixtures or capital items.
- ▶ Environmental cleanup of illegal activities (i.e. meth labs).
- ▶ Indoor facilities
- ▶ Organizational operating expenses or overhead. However, the value of staff time to perform or oversee the eligible acquisition and restoration activities is eligible. An example would be the monthly fee for telephone service is not an allowable expense, but the long distance charge for a specific telephone call related to the project is eligible.
- ▶ Properties acquired via a condemnation action of any kind. The value of parcels acquired via condemnation may not be used as part of the required local agency matching share.
- ▶ Purchase of maintenance equipment, tools, or supplies.
- ▶ Restoration work done before a project agreement is signed between the applicant and the IAC. This work also cannot be used as part of the match requirement.
- ▶ Routine operation and maintenance costs.
- ▶ Utility payments such as monthly water or electric bills.

**13. Farm  
Stewardship  
Plans**

A farm stewardship plan is an eligible cost activity as part of an acquisition or combination project's administrative or architecture and engineering costs. The maximum allowable cost for development of the site stewardship plan is \$10,000.

An outline of the proposed stewardship plan must be submitted with the grant application and at a minimum contain the following elements:

- ▶ Long-term stewardship goals and objectives
- ▶ Monitoring goals and objectives
- ▶ Restoration goals and objectives (if applicable)

- Short-term land management goals and objectives
- Description of the site or project area, to include the following:
  - USGS quad map and county assessor's parcel map
  - Map showing all man-made and natural features
  - Narrative description of the property
  - Photographs taken at permanent photo points
  - Further guidance provided in Appendix F of Manual 3, *Acquiring Land: Policies*.
  - A detailed stewardship plan implementation budget that also identifies the source of funding.

**14. Preference for  
Community Priorities**

IAC recognizes that interest and commitment to preserve farmlands will vary from community to community. Communities may exhibit their commitment to farmland preservation through a variety of mechanisms including: agricultural zoning, right to farm ordinances, adopted strategies for farmland preservation, and a dedicated fund to purchase development rights on land within agricultural zones.

As part of project evaluation, consistency with community priorities will be measured. To assist evaluators, applicants may submit any combination of the following:

- Letters of endorsement or support from local governments, chambers of commerce, and other organizations.
- A copy of the applicant's current capital facilities plan or capital improvement program in which the project is listed by name or by type.
- A copy of results of a needs assessment or community survey.
- A copy of a survey or plan for preserving farmlands with a resulting priority list of acquisitions.
- Documented results of a series of community meetings that may have resulted in consensus for farmlands preservation.

**15. Partnerships in  
Applications**

By law, only cities and counties may apply for funds. "Partnerships" result when two or more agencies or organizations work on the same project.

It is possible for an eligible applicant to form a partnership with an otherwise ineligible organization. For example, a county could be the official applicant for FPP funds, but have partners that include the landowner, a conservation district, or a land trust. Partners may provide funding, project management, restoration expertise, or other assistance.

Partnerships that add **measurable value** to a project are encouraged.

**“Measurable value”** may include money, land, labor, materials, services, or other necessary support. Letters of endorsement, by themselves, are not evidence of measurable value unless they include a statement of, or reference to, the value that the endorsing person or organization is bringing to the project.

Applicants shall document partnership arrangements prior to evaluation in order to claim measurable value. It is important to note that regardless of the agreements between the sponsor and partners, the long-term contractual obligation to IAC lies with the eligible applicant sponsoring the project. Furthermore, since statute allows only cities and counties as eligible grant sponsors, property rights must be held by the sponsor to be eligible for this program.

#### **16. Reimbursement**

The grant is paid to the sponsor as a reimbursement and based on the percentages in the project contract.

Advance draws on grants are permitted only for the IAC match of the value of the land and only if the applicant provides all the required documentation to IAC in advance of closing: An updated title policy, draft copy of conveyance documents, appraisal reports, hazardous substances certification, and closing statements. If all documents are in order, IAC will deposit the appropriate grant share into the escrow account. See IAC Manual #3, *Acquiring Land: Policies* for additional information. Advance payments are not available for restoration work.

IAC will not reimburse more than the sponsor's out-of-pocket costs. In the case where the value of donations exceeds the value of expenditures, grant reimbursement cannot exceed the total out-of-pocket expenses.

In most instances, payment is not made for expenses incurred before the grant applicant and IAC have a signed project agreement. Exceptions are made only for eligible pre-agreement costs, which include appraisals, surveys, and drafting of documents. In cases of restoration activities, the only eligible pre-agreement costs are design and engineering, if required. Costs associated with preparing this, or any other grant application, cannot be submitted for reimbursement.

Complete reimbursement procedures are found in IAC Manual #8, *Reimbursements*.



## SECTION 3: EVALUATION PROCESS

### ***Choosing Proposals to Fund***

A formal evaluation of each project is a key step in the process used to decide which proposals will be funded. The evaluation questions, or criteria, are adopted by the IAC. The questions are based on statutory and other criteria. Evaluation questions are found within this manual, beginning on page 15.

The standing advisory committee for FPP will use the IAC adopted criteria to score each project. Scores are based on each applicant's oral response to evaluation questions, a graphic presentation, and summary application material made available in advance of the meeting.

While IAC's evaluation meetings are open to anyone, they are not public hearings. As such, only applicant agency employees, or their invited partners, may address the evaluation team. At these meetings, an IAC staff member serves as nonvoting moderator. Scoring is by secret ballot. Following the meeting, all scores are tabulated.

## Farmland Preservation Program Evaluation Criteria Summary Table

Criteria	Points
<b>Agricultural Values</b> Importance: Soil types; suitability for producing agricultural products; size; economic productivity; fit of the project to local priorities Viability: On-site production and support facilities; farm to market access; proximity to roads and utilities; water availability; drainage; presence of other features that could hinder or restrict use for agriculture; zoning; likelihood that the farm will remain in agriculture; likelihood that the region will continue to support agriculture	<b>60</b>
<b>Environmental Values (Acquisition only projects)</b> Recommended as part of a plan or strategy; benefits to salmonids, migratory birds, other fish and wildlife habitat; integration with recovery efforts for endangered, threatened, or sensitive species; existing or proposed environmental management/stewardship plan	<b>22</b>
<b>OR</b>	
<b>Environmental Values (Combination acquisition and restoration projects)</b> Enhancement or restoration projects must further ecological functions: Consider the benefits to fish and wildlife species, especially endangered, threatened or sensitive species; benefits to habitat forming processes Consider the likelihood that the anticipated benefits will be realized: Project is based on accepted methods; project is likely to achieve the anticipated benefits Recommended as part of a plan or strategy	<b>22</b>
<b>Community Values and Priorities</b> Community support for the project; consistency with a local land use or a regional or statewide recreational or resource plan Other community values: Viewshed; aquifer recharge; occasional or periodic collector for storm water runoff; floods; agricultural sector job creation; educational and curriculum potential; historic value; buffer to public lands	<b>8</b>
<b>Other</b> Threat: Magnitude of threat; urgency Term; cost benefit; local match; sponsor's ability to acquire, manage, monitor, and enforce conservation easements; demonstration	<b>30</b>
<b>Total points available</b>	<b>120</b>

## Farmland Preservation Program: Evaluation Criteria

**A. Agricultural values.** Preservation of farmlands in order to maintain the opportunity for agricultural activity.

1. **Importance.** How important is this farmland to the region and state?
  - a. Soil types; percent of property with important soil types. Consider presence of prime and unique soils; soils important or appropriate for the anticipated crops and local climatic conditions; soils important to the region (*maximum 5 points*)
  - b. Suitability for producing the current or anticipated agricultural products (*maximum 5 points*)
  - c. Size. Consider whether the size of the commercially productive portion of the property is adequate for the intended agricultural use. Give preference to larger parcels, especially as compared to other parcels with the same type of agricultural activity in the same area (*maximum 5 points*)
  - d. Economic productivity. Give preference for farms with greater incomes or potential incomes (*maximum 5 points*)
  - e. Fit of the project to local priorities. If the sponsor has a land preservation program that includes farmland and/or has developed a strategy for farmland preservation, consider the extent that the project addresses priorities in that program and/or strategy (*maximum 5 points*)
2. **Viability.** The viability of the site for continued agricultural production and the likelihood it will remain in production:
  - a. On-site production and support facilities such as barns, irrigation systems, crop processing and storage facilities, wells, housing, livestock sheds, and other farming infrastructure (*maximum 3 points*)
  - b. Farm-to-market access (*maximum 3 points*)
  - c. Proximity to roads and utilities (*maximum 3 points*)
  - d. Water availability. Does the property have legitimate water rights and adequate water to support intended or likely agriculture activities? (*maximum 4 points*)
  - e. Drainage (*maximum 3 points*)
  - f. Presence of other features that could hinder or restrict use for agriculture (access, presence of frost pockets, chronic flooding, invasive species, nearby land uses or activities that could constrain agricultural activities) (*maximum deduction up to -5 points. No such features would result in zero points*)
  - g. Zoning. Consider whether the property is in an Agricultural Protection District or other type of protected zone (ex. "Agricultural Natural Resource Lands" zoning in Skagit) (*maximum 4 points*)



- h. Likelihood that the farm will remain in agriculture. This item applies to other factors that could affect long-term viability not already covered above in items a - g. *(maximum 8 points)*
- i. Likelihood that the region will continue to support agriculture. Consider the condition of local farming infrastructure; proximity to other protected agricultural lands; other farmland protection and conservation efforts; land use designations *(maximum 7 points)*

**B. Environmental values (for evaluating acquisition-only projects)**

- 1. A recommendation as part of a limiting factors or critical pathways analysis, a watershed plan or habitat conservation plan, a listed species recovery plan, the Washington State Natural Heritage Plan, or a coordinated region wide prioritization effort *(maximum 4 points)*
- 2. Benefits to salmonids, migratory bird habitat and forage area, and other fish and wildlife habitat *(maximum 9 points)*
- 3. Integration with recovery efforts for endangered, threatened, or sensitive species *(maximum 5 points)*
- 4. Existing or proposed environmental management/stewardship plan or conservation plan; certified under some sort of sound environmental practices or sustainability program *(maximum 4 points)*

---OR---

**B. Environmental values (for evaluating acquisition + restoration/enhancement projects)**

- 1. Enhancement or restoration projects must further the ecological functions of the farmlands.
  - a. Consider the benefits to fish and wildlife species, especially endangered, threatened or sensitive species, including benefits to plant and animal communities and the habitat on which they depend *(maximum 5 points)*
  - b. Benefits to habitat forming processes, for example restoring the ability of a river or stream to transport gravel and fine sediment or restoring native riparian vegetation to provide for a future source of shade, detritus and woody debris *(maximum 4 points)*
- 2. Consider the likelihood that the anticipated benefits will be realized. This would be based on the use of accepted methods, sound project design and siting, etc.
  - a. The project is based on accepted methods of achieving beneficial enhancement or restoration results *(maximum 3 points)*
  - b. The project is likely to achieve the anticipated benefits. Consider siting, project type, management/stewardship plan, proposed monitoring and evaluation *(maximum 6 points)*
- 3. Does the proposed restoration or enhancement address needs or priorities identified in a limiting factors or critical pathways analysis, a watershed plan or habitat conservation plan, a listed species recovery plan, the Washington State

Natural Heritage Plan, or a coordinated region wide prioritization effort?  
(maximum 4 points)

**C. Community values and priorities**

1. Community support for the project (maximum 3 points)
2. Consistency with a local land use plan, or a regional or statewide recreational or resource plan. The projects that assist in the implementation of local shoreline master plans updated according to RCW 90.58.080 or local comprehensive plans updated according to RCW 36.70A.130 must be highly considered in the process (maximum 2 points)
3. Other community values provided by the property when used as agricultural land, including, but not limited to:
  - a. Viewshed (maximum 0.5 points)
  - b. Aquifer recharge (maximum 0.5 points)
  - c. Occasional or periodic collector for storm water runoff and/or providing flood capacity (maximum 0.5 points)
  - d. Agricultural sector job creation (maximum 0.5 points)
  - e. Educational potential (maximum 0.2 points)
  - f. Historic value (maximum 0.4 points)
  - g. Buffer to public lands (maximum 0.4 points)

**D. Other**

1. **Threat.** The likelihood of the conversion of the site to nonagricultural or more highly developed usage. [Moved from "agricultural values" section and modified.]
  - a. Magnitude of threat. Consider zoning; potential for rezoning; history of farmland conversion in the area (maximum 8 points)
  - b. Urgency. Consider the likelihood of conversion in the next five years (maximum 8 points)
2. **Term.** The minimum term for a lease or agricultural easement is 25 years. Provide additional points for longer terms, with the greatest number of points for property preserved in perpetuity (maximum 5 points)
3. **Cost benefit.** Consider the percentage of total acreage that is in agricultural production or set aside to preserve ecological values (versus the percentage of the property that is taken up by structures, roads, etc.; allow for acreage that is not in agricultural production for the purpose of preserving ecological values, such as protected riparian buffers, CREP leases). Consider cost per acre? Consider contributions by the landowner, for example a bargain sale? (maximum 2 points)
4. **Local match.** Consider the amount of local (non-state, non-federal) match to be provided by the grant recipient. Includes contribution of land, labor, and materials (maximum 2 points)

5. **Sponsor's ability to acquire, manage, monitor and enforce conservation easements.** Consider the history of project sponsor in acquiring, managing and enforcing easements. Consider whether the applicant has an established farmland PDR (purchase of development rights) or conservation easement program and staff devoted to farmland protection. Consider the ability and experience of any organizations or entities assisting or partnering with the sponsor. For counties and cities without an established farmland PDR or conservation easement program, consider whether the award of a grant will provide the impetus for establishing a continuing program. Consider the presence of an endowment or other dedicated funding sources for management, monitoring and enforcement (*maximum 4 points*)
6. **Demonstration.** Whether the project will act as a demonstration project in the community (*maximum 1 point*)

## Appendix A: Enabling Legislation

### Farmland Preservation Program Chapter 303, Laws of 2005 (ESSB5396)

**Sec. 1** RCW 79A.15.010 and 1990 1st ex.s. c 14 s 2 are each amended to read as follows:

The definitions set forth in this section apply throughout this chapter.

(4) "Farmlands" means any land defined as "farm and agricultural land" in RCW 84.34.020(2).

**NEW SECTION. Sec. 7** A new section is added to chapter 79A.15 RCW to read as follows:

(1) The farmlands preservation account is established in the state treasury. The committee will administer the account in accordance with chapter 79A.25 RCW and this chapter, and hold it separate and apart from all other money, funds, and accounts of the committee. Moneys appropriated for this chapter to the farmlands preservation account must be distributed for the acquisition and preservation of farmlands in order to maintain the opportunity for agricultural activity upon these lands.

(2)(a) Moneys appropriated for this chapter to the farmlands preservation account may be distributed for (i) the fee simple or less than fee simple acquisition of farmlands; (ii) the enhancement or restoration of ecological functions on those properties; or (iii) both. In order for a farmland preservation grant to provide for an environmental enhancement or restoration project, the project must include the acquisition of a real property interest.

(b) If a city or county acquires a property through this program in fee simple, the city or county shall endeavor to secure preservation of the property through placing a conservation easement, or other form of deed restriction, on the property which dedicates the land to agricultural use and retains one or more property rights in perpetuity. Once an easement or other form of deed restriction is placed on the property, the city or county shall seek to sell the property, at fair market value, to a person or persons who will maintain the property in agricultural production. Any moneys from the sale of the property shall either be used to purchase interests in additional properties which meet the criteria in subsection (9) of this section, or to repay the grant from the state which was originally used to purchase the property.

(3) Cities and counties may apply for acquisition and enhancement or restoration funds for farmland preservation projects within their jurisdictions under subsection (1) of

this section.

(4) The committee may adopt rules establishing acquisition and enhancement or restoration policies and priorities for distributions from the farmlands preservation account.

(5) The acquisition of a property right in a project under this section by a county or city does not provide a right of access to the property by the public unless explicitly provided for in a conservation easement or other form of deed restriction.

(6) Except as provided in RCW 79A.15.030(7), moneys appropriated for this section may not be used by the committee to fund staff positions or other overhead expenses, or by a city or county to fund operation or maintenance of areas acquired under this chapter.

(7) Moneys appropriated for this section may be used by grant recipients for costs incidental to restoration and acquisition, including, but not limited to, surveying expenses, fencing, and signing.

(8) The committee may not approve a local project where the local agency's share is less than the amount to be awarded from the farmlands preservation account. In-kind contributions, including contributions of a real property interest in land, may be used to satisfy the local agency's share.

(9) In determining the acquisition priorities, the committee must consider, at a minimum, the following criteria:

- (a) Community support for the project;
- (b) A recommendation as part of a limiting factors or critical pathways analysis, a watershed plan or habitat conservation plan, or a coordinated regionwide prioritization effort;
- (c) The likelihood of the conversion of the site to nonagricultural or more highly developed usage;
- (d) Consistency with a local land use plan, or a regional or statewide recreational or resource plan. The projects that assist in the implementation of local shoreline master plans updated according to RCW 90.58.080 or local comprehensive plans updated according to RCW 36.70A.130 must be highly considered in the process;
- (e) Benefits to salmonids;
- (f) Benefits to other fish and wildlife habitat;
- (g) Integration with recovery efforts for endangered, threatened, or sensitive species;
- (h) The viability of the site for continued agricultural production, including, but not limited to:
  - (i) Soil types;
  - (ii) On-site production and support facilities such as barns, irrigation systems, crop processing and storage facilities, wells, housing, livestock sheds, and other farming infrastructure;
  - (iii) Suitability for producing different types or varieties of crops;
  - (iv) Farm-to-market access;

- (v) Water availability; and
  - (i) Other community values provided by the property when used as agricultural land, including, but not limited to:
    - (i) Viewshed;
    - (ii) Aquifer recharge;
    - (iii) Occasional or periodic collector for storm water runoff;
    - (iv) Agricultural sector job creation;
    - (v) Migratory bird habitat and forage area; and
    - (vi) Educational and curriculum potential.
  - (10) In allotting funds for environmental enhancement or restoration projects, the committee will require the projects to meet the following criteria:
    - (a) Enhancement or restoration projects must further the ecological functions of the farmlands;
    - (b) The projects, such as fencing, bridging watercourses, replanting native vegetation, replacing culverts, clearing of waterways, etc., must be less than fifty percent of the acquisition cost of the project including any in-kind contribution by any party;
    - (c) The projects should be based on accepted methods of achieving beneficial enhancement or restoration results; and
    - (d) The projects should enhance the viability of the preserved farmland to provide agricultural production while conforming to any legal requirements for habitat protection.
  - (11) Before November 1st of each even-numbered year, the committee will recommend to the governor a prioritized list of all projects to be funded under this section. The governor may remove projects from the list recommended by the committee and must submit this amended list in the capital budget request to the legislature. The list must include, but not be limited to, a description of each project and any particular match requirement.
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Note: The full text of ESSB5396 can be found on the Legislature's web site at:  
<http://www.leg.wa.gov/pub/billinfo/2005-06/Pdf/Bills/Senate%20Passed%20Legislature/5396-S.PL.pdf>

## Appendix B: Definition of "Farmlands"

RCW 84.34.020

(2) "Farm and agricultural land" means:

(a) Any parcel of land that is twenty or more acres or multiple parcels of land that are contiguous and total twenty or more acres:

(i) Devoted primarily to the production of livestock or agricultural commodities for commercial purposes;

(ii) Enrolled in the federal conservation reserve program or its successor administered by the United States department of agriculture; or

(iii) Other similar commercial activities as may be established by rule;

(b) Any parcel of land that is five acres or more but less than twenty acres devoted primarily to agricultural uses, which has produced a gross income from agricultural uses equivalent to, as of January 1, 1993:

(i) One hundred dollars or more per acre per year for three of the five calendar years preceding the date of application for classification under this chapter for all parcels of land that are classified under this subsection or all parcels of land for which an application for classification under this subsection is made with the granting authority prior to January 1, 1993; and

(ii) On or after January 1, 1993, two hundred dollars or more per acre per year for three of the five calendar years preceding the date of application for classification under this chapter;

(c) Any parcel of land of less than five acres devoted primarily to agricultural uses which has produced a gross income as of January 1, 1993, of:

(i) One thousand dollars or more per year for three of the five calendar years preceding the date of application for classification under this chapter for all parcels of land that are classified under this subsection or all parcels of land for which an application for classification under this subsection is made with the granting authority prior to January 1, 1993; and

(ii) On or after January 1, 1993, fifteen hundred dollars or more per year for three of the five calendar years preceding the date of application for classification under this chapter.

Parcels of land described in (b)(i) and (c)(i) of this subsection shall, upon any transfer of the property excluding a transfer to a surviving spouse, be subject to the limits of (b)(ii) and (c)(ii) of this subsection;

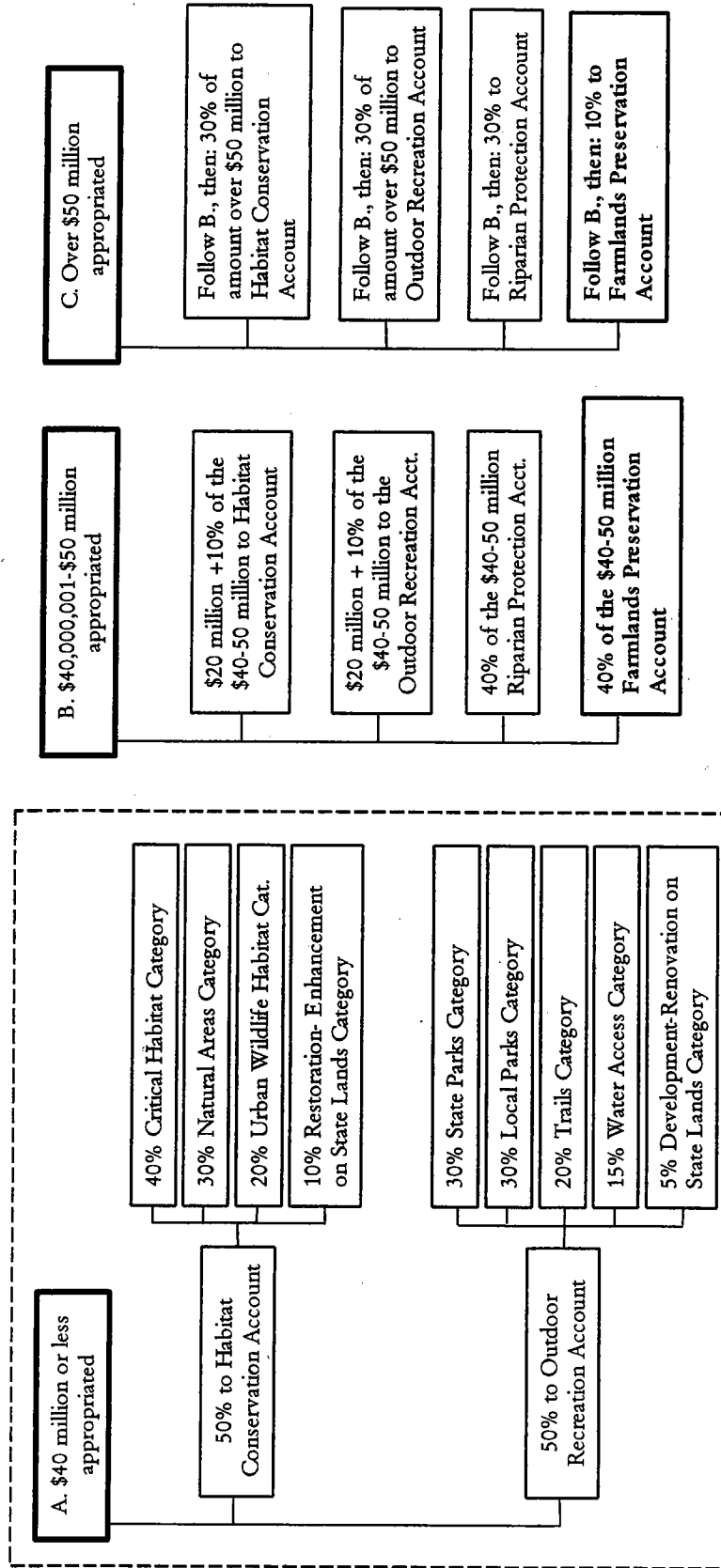
(d) Any lands including incidental uses as are compatible with agricultural purposes, including wetlands preservation, provided such incidental use does not exceed twenty percent of the classified land and the land on which appurtenances necessary to the

production, preparation, or sale of the agricultural products exist in conjunction with the lands producing such products. Agricultural lands shall also include any parcel of land of one to five acres, which is not contiguous, but which otherwise constitutes an integral part of farming operations being conducted on land qualifying under this section as "farm and agricultural lands"; or

(e) The land on which housing for employees and the principal place of residence of the farm operator or owner of land classified pursuant to (a) of this subsection is sited if: The housing or residence is on or contiguous to the classified parcel; and the use of the housing or the residence is integral to the use of the classified land for agricultural purposes.



## Appendix C. Allocation of WWRP Funds



RCW 79A.15.030:

- (a) Appropriations for a biennium of \$40 million or less must be allocated equally between HCA and ORA.  
 (b) If appropriations for a biennium total *more than \$40 million*, the money must be allocated as follows:  
 (i) \$20 million to HCA and \$20 million to ORA;  
 (ii) Any amount over \$40 million up to \$50 million shall be allocated as follows:  
 (A) 10% to HCA; (B) 10% to ORA; (C) 40% to RPA; (D) 40% to FPA;  
 (iii) Any amounts over \$50 million must be allocated as follows:  
 (A) 30% to HCA; (B) 30% to ORA; (C) 30% to RPA; and (D) 10% to FPA.

50% of the funds allocated to the Local Parks and State Parks categories must be used for acquisition.  
 75% of the Water Access category funds must be used for acquisition.

Under distribution scenarios B and C, Habitat Conservation Account and Outdoor Recreation Account funds are distributed as shown in the nine categories under scenario A.